

ASSEMBLY BILL

No. 468

Introduced by Assembly Member Hayashi

February 24, 2009

An act to add Section 22898 to the Government Code, relating to the Public Employees' Medical and Hospital Care Act.

LEGISLATIVE COUNSEL'S DIGEST

AB 468, as introduced, Hayashi. Public Employees' Medical and Hospital Care Act: employer contributions.

Existing law requires the Board of Administration of the Public Employees' Retirement System to administer the Public Employees' Medical and Hospital Care Act. Existing law permits a contracting agency to elect to be subject to the act for its employees and annuitants, provided that the contracting agency and each employee or annuitant contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan approved or maintained by the board in which the employee or annuitant may be enrolled. Existing law specifies that the employer contribution of a contracting agency begins on the effective date of enrollment and is the amount fixed from time to time by resolution of the governing body of the agency. The resolution is required to be filed with the board and the contribution amount shall be effective on the first day of the second month following the month in which the resolution is received by the system.

This bill would require the employer contribution for postretirement health benefit coverage for an annuitant of a specified contracting agency to be based on the annuitant's completed years of service credited with the contracting agency at retirement. This bill would prohibit the contracting agency from paying any employer contribution for the first

5 years of the credited service, as defined. The bill would require the contracting agency to pay an employer contribution of 50% after the employee had 5 years of service with the contracting agency and that amount would be increased by 5% per year thereafter, with 100% of the portion of the cost being paid for by the contracting agency when the annuitant is credited service of 15 years or more. The bill would require that the employer contribution with respect to each annuitant be adjusted by the employer each year, but would prohibit the contribution from exceeding 100% of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone.

The bill would provide that those provisions would only apply to employees of the Alameda County Transportation Improvement Authority who are first hired on or after November 1, 2004.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 22898 is added to the Government Code,
- 2 to read:
- 3 22898. (a) Notwithstanding any other provision of this part,
- 4 the employer contribution for postretirement health benefit
- 5 coverage for an annuitant of the contracting agency subject to this
- 6 section shall be based on the annuitant's completed years of service
- 7 credited with the contracting agency at retirement.
- 8 (b) The contracting agency shall pay no employer contribution
- 9 for the first five years of that credited service. The contracting
- 10 agency shall pay 50 percent after five years with the contracting
- 11 agency and the amount shall be increased by 5 percent per year
- 12 thereafter, with 100 percent of the portion of the cost being paid
- 13 for by the contracting agency when the annuitant is credited service
- 14 of 15 years or more. The employer contribution with respect to
- 15 each annuitant shall be adjusted by the employer each year, but in
- 16 no event shall exceed 100 percent of the weighted average of the
- 17 health benefits plan premiums for employees or annuitants enrolled
- 18 for self alone.
- 19 (c) For purposes of this section, "credited service" means service
- 20 as defined in Section 20069, except that not less than five years

1 of that service shall be performed entirely with the Alameda County
2 Transportation Improvement Authority.
3 (d) This section shall only apply to employees of the Alameda
4 County Transportation Improvement Authority who are first hired
5 on or after November 1, 2004.

O